

Talking points for
Tony T. Brown, Director

Community Development Financial
Institutions Fund (CDFI)

at the

Award Announcement
FY 2003 Bank Enterprise Award
Program

Tuesday, October 8, 2003

Louisville, Kentucky

CDFI
fund



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Thank you, Pedro. I am happy to be in Louisville today to join Congresswoman Northup in announcing the latest round of awards the CDFI Fund is making under our Bank Enterprise Award Program

Let me first set-the-stage, so to speak, and provide you a brief overview on Treasury and specifically the CDFI Fund.

Treasury's responsibilities are broad and not many know of Treasury's involvement in the economic development of our nation's distressed communities. When people think of what we do at Treasury, they think of money:

- We coin and print it (US Mint and Bureau of Engraving);
- We collect it (IRS); and
- We manage the flow of it (FMS, Bureau of Public Debt, OCC & OTS - Treasury bureaus).

Treasury's mission is to create the conditions for Prosperity in the United States and to Encourage prosperity in the World. One of its key objectives is to increase economic growth and create jobs

One of the main ways Treasury meets this objective is through the Community Development Financial Institutions Fund.

Mission of the CDFI Fund

Our vision at the CDFI Fund is a "United States in which all people have access to credit, capital and financial services."

We do this by expanding the capacity of financial institutions to provide credit, capital and financial services to underserved communities and populations in the United States.

The CDFI Fund improves the economic and living conditions of underserved communities by strengthening the financing, capacity, and sustainability of a nationwide network of regulated and non-regulated financial institutions serving these underserved communities.

The CDFI Fund's tools for delivering enhanced access to capital is through certified community development financial institutions (CDFIs), regulated banks and thrifts and,

with the introduction of the New Markets Tax Credit Program, we can include certified community development entities (CDEs).

CDFI Fund Programs

The Fund promotes access to capital and local economic growth in three ways:

1. Through our CDFI Program, by directly investing in and supporting community development financial institutions (CDFIs);
 - to date, there are 652 certified CDFIs national, and 14 here in Kentucky. One of the leaders in this industry is your own Louisville Community Development Bank.
2. Through our Bank Enterprise Award (BEA) Program, by providing an incentive to banks and thrifts (FDIC-insured depositories) to invest in their communities and in other CDFIs, and
3. Through the New Markets Tax Credit (NMTC) Program, by providing an allocation of tax credits to Community Development Entities (CDEs) which will enable them to attract investments from the private sector and then reinvest these amounts in low-income communities.

Bank Enterprise Award Program

Today, we are here to focus on the Bank Enterprise Award Program.

As I mentioned, The BEA Program recognizes bank and thrifts that do more each year to improve our nation's distressed communities.

There are three eligible activities a bank or thrift can engage in:

1. making loans or investments to residents or small business owners in these distressed communities;
2. providing equity investments or grants to certified CDFIs; or
3. providing loans, deposits or technical assistance to certified CDFIs.

To date, BEA awardees have provided more than \$3 billion to distressed communities in the form of direct loans, investments, and services; and more than \$1.5 billion in financial support and technical assistance directly to CDFI.

Our distressed neighborhoods and communities should never be characterized as places to "get out" of. They should collectively represent who we are as a nation.

Our communities, through compassion and community activism, have built a financial network, such as the one evident here in Louisville, Kentucky, that is dedicated to improving the lives of our most economically deprived communities by providing the financing need to create jobs, stimulate economic growth and provide for a better, bright future for all Americans.

Thank you.

